REMARKS

Interview Summary

The examiner is thanked for granting the interview on June 28, 2007. During the interview, a proposed claim amendment was discussed as well as the differences between the claim and the prior art.

As stated at the interview, these claims are allowable because they facilitate multiple loan transactions and repayments by a large number of participants in a benefit plan (note that the cited reference Vitagliano had tried to do this, but was a commercial failure because it lacked the following claim steps) by specifically claiming in various claims the following elements in combination:

(1) the initializing (claim 1) or maintenance (claim 58) of a separate asset-funded loan fund account "wherein the loan fund account is associated with one or more investment vehicles in the benefit plan account, wherein the one or more investment vehicles associated with the loan fund account are segregated from other investment vehicles in the benefit plan account;"

(2) and setting up a separate "redemption/repayment accounting process" associated with this separately-funded loan fund account, to thereby severely limit the day-to-day redemption/repayment accounting interactions with the overall benefit plan, with the result that a large number of loan/repayment transactions can be performed without impacting the benefit plan. For basis, see paragraphs 57 and 95, for example.

The foregoing being in combination with the other steps in the combination to make a viable loan accounting operation.

The claims have been amended to associate the loan fund accounts with investment vehicles and to clarify that the participant assets used to fund the loan fund account are invested in one or more of these associated investment vehicles. Basis for this amendment may be found at least in paragraph 41. Additionally, multiple amendments have been made to refer to the loan fund as a "loan fund account." Additionally, the accounting process used for the loan fund is now called "a redemption/repayment accounting process associated with the loan fund account." Basis for this change may be found at least at paragraph 95 in applicants' specification. Additionally, it has been clarified that the process and system is

designed to cover loan requests "in an amount that is less than a full amount of funds in the loan fund account." This language does not preclude loan requests for the full amount of the loan fund account from occurring, so long as the process is capable of processing loan fund requests in an amount that is less than a full amount of funds in the loan fund account. Additionally, the claim language relating to separate storage of account information has been deleted in the claims, except for dependent claims 97 and 98.

Note that it is understood by one of ordinary skill in the art that there are multiple accounting processes that operate on these accounts. The claim language in the claims "*redemption/repayment accounting process*" means the day-to-day accounting process associated with the loan fund account that computes the current balance of available funds in the loan fund account based on the redemptions from and payments to the assets in the loan fund account, per the claim language. The computer coding that facilitates this specific process is limited in claim 58 in that it "*does not change a loan fund asset amount listed in the account information of the benefit plan account relating to the loan fund account.*" Comparable language is found in other independent claims. This language does not preclude other computer code in other accounting processes from changing the account information of the benefit plan account to reflect interest payments or other occurrences.

Claim 16 had been previously cancelled. Claims 105-113 stand withdrawn. Accordingly, claims 1-15 and 17-104 are presented for examination in the present application.

Claims 1-7, 9-16, 17-18, 20-46, 48-51 and 53-57 were rejected under 35 USC 103 over Vitagliano (US 5,206,803) in view of Atkins (US 5,884,285) and Borleis et al. Additionally, claims 58-69, 74-86, 90, 93, and 95-102 were rejected under 35 USC 103 over Vitagliano (US 5,206,803) in view of Borleis et al. The remaining claims are rejected in a similar manner. All of these rejections are traversed in their entirety and reconsideration is requested.

The principal reference in the office action remains Vitagliano et al. As noted in previous discussions with the examiner, Vitagliano is deficient among other things, because it does not have a separately-funded loan fund account from which funds for multiple loans of less than the entire amount of the fund can be redeemed and which obtains an investment return on amounts in the loan fund not lent out, and which has a separate

redemption/repayment accounting process that processes redemptions and repayments for this separate loan fund account without changing the loan fund asset amount listed in the account information for the overall benefit plan account. Rather, Vitagliano et al. simply withdraws funds directly from its benefit plan account. Vitagliano states that it provides a line of credit (not an account that is asset-funded), that is drawn against the assets of the entire benefit plan. See Vitagliano at column 2, line 36 – column 3, line 11 and column 3, lines 22-28 and lines 32-43. This lack of a separate loan fund account teaches away from any separate redemption/repayment accounting process associated with an asset-funded separate loan fund account.

The Office Action cites Borleis et al. to remedy these deficiencies. The new reference Borleis et al., in the only embodiment that appears pertinent (the other embodiment is collateral-based that is tied to the overall "vested account balance," page 5/11), discloses a loan fund that receives a transfer of the entire amount of the requested loan and loans that entire amount out to the borrower. The loan fund is "transparent" to the borrower relative to the main benefit plan so that there is a zero balance maintained in the loan fund account. Borleis et al. states as follows at page 2:

> The most prevalent approach to structuring participant loans is to have the participant actually borrow his or her own money. This is accomplished by having the participant transfer the amount of the loan from another investment fund to the loan fund and then borrow the amount.

Thus, every request for a loan/redemption must pass through the overall 401(K) plan administrator. There is no separate accounting process that is focused on the loan fund account because there are never any assets in the account. They are always fully lent out. Thus, this process in Borleis et al. teaches away from such a separate redemption/repayment accounting process with an associated with the loan fund account.

Atkins (5,884,285) is cited against claim 1 for teachings related to initializing loan-fund information. Atkins relates to a mortgage-backed investment vehicle where the regular amortization payments for a mortgage are invested instead in a pension plan, IRA, Keogh or other benefit plan. See column 2, lines 18-38 of the Summary of the Invention. There is no teaching or suggestion in Atkins of "*funding the loan fund account by investing participant assets in the one or more investment vehicles, wherein the one or more investment vehicles*

associated with the loan fund account are segregated from other investment vehicles in the benefit plan account."

Thus, the claimed invention is not enabled by any combination of the reference elements, regardless of how combined.

To emphasize these points, the claims have been amended with respect to claim 1 to clarify (1) the "*updating*" of the loan fund account step is accomplished by means of "*a redemption/repayment accounting process*" "*that computes a current balance of available funds in the loan fund account based on funds transferred from assets in the loan fund account to settle redemptions and funds accepted as assets into the loan fund account as repayments of redemptions and does not change a loan fund asset amount listed in the account information of the benefit plan account relating to the loan fund account*,"

(2) to clarify that the meaning of "*initializing*" a loan fund account by investing participant assets in one or more investment vehicles that are segregated from other investment vehicles in the benefit plan account, so that an investment return is derived from those participant assets in the loan fund account that are not lent out, i.e., "*wherein the initializing further comprises funding the loan fund account by investing participant assets in the one or more investment vehicles, wherein the one or more investment vehicles associated with the loan fund account are segregated from other investment vehicles in the benefit plan account*," and

(3) to clarify in the "*generating data*" step that the loan fund account is designed to process multiple loan requests of less than the entire amount of the loan fund assets, thereby making the separate redemption/repayment accounting process viable and important, i.e., "*generating data representing requests to the investment manager to: (i) transfer funds from the loan fund account that is less than a full amount of funds in the loan fund account to settle redemptions made by the participant, the participant making redemptions from the loan fund account by use of at least one access vehicle; or (ii) accept funds into the loan fund account from the participant in repayment of redemptions*."

There is no logical reason why one of ordinary skill in the art would make the claimed combination. Importantly, even if such a combination was made (which it would not be), it is still deficient and does not teach the claimed system combination and method with its

separate asset-funded loan fund account for processing multiple loan requests, coupled with a redemption/repayment accounting process associated with that separate loan fund account.

Thus, a complete patentable operation has been claimed. Note that additional steps can be used in conjunction with the claimed process, but they are not necessary to perform the claimed process. In view of the foregoing, Applicant respectfully submits that all the Examiner's objections and rejections have been addressed and that all of the claims in the present application are allowable. Accordingly, Applicant respectfully requests that the claims be reconsidered and passed to allowance.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

Respectfully submitted,

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